



## MEDIA RELEASE

15 May 2020

### CCCS consults on the Proposed Acquisition of Bombardier Transportation (Investment) UK Ltd by Alstom S.A.

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) is inviting public feedback on the proposed acquisition of Bombardier Transportation (Investment) UK Ltd. (“**Bombardier Transportation**”) by Alstom S.A. (“**Alstom**”) (collectively, “**the Parties**”) (the “**Proposed Transaction**”).
2. CCCS received an application from Alstom for a decision on the Proposed Transaction on 12 May 2020. CCCS is now assessing whether the Proposed Transaction would infringe section 54 of the Competition Act (Cap. 50B), which prohibits mergers which have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

### The Parties

#### Alstom

3. Alstom is the ultimate parent company of the Alstom group of companies (the “**Alstom Group**”). It is a global player in the rail transport industry, providing a range of mobility solutions (from high-speed trains, to metros, trams and e-buses), related services such as maintenance, as well as offerings dedicated to passengers and infrastructure, digital mobility and signalling solutions.
4. In Singapore, Alstom is a supplier of turnkey solutions, signalling systems, rolling stock<sup>2</sup> and infrastructure for Singapore’s Mass Rapid Transit (“MRT”) lines. In addition, Alstom also provides after sale services and third rails for rail electrification purposes to rail operators in Singapore.

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<sup>1</sup> The Alstom Group comprises entities such as Alstom Transport SA, Alstom Transport Holdings B.V., New Alstom Holdings B.V., and Alstom Transport (S) Pte. Ltd.

<sup>2</sup> Rolling stock is the industry term for railway vehicles and include passenger carriages. Metro trains on Singapore’s MRT lines are made up of passenger carriages.

## Bombardier Transportation

5. Bombardier Transportation is the global rail solutions division of Bombardier Inc<sup>3</sup>, which is also the majority shareholder of Bombardier Transportation. It offers a wide range of rail solutions, ranging from trains to signalling to turnkey transport systems, e-mobility technology and data-driven maintenance services.
6. In Singapore, Bombardier Transportation supplies rolling stock for MRT lines, as well as signalling systems for certain Light Rapid Transit (“LRT”) lines.

## **The Proposed Transaction**

7. The Proposed Transaction will involve Alstom acquiring either directly or indirectly all of the share capital and voting rights in Bombardier Transportation. Alstom will thus acquire sole control over Bombardier Transportation.
8. Alstom submits that the Parties overlap in the supply of rail rolling stock and signalling systems in Singapore.
9. According to Alstom, the Proposed Transaction will not result in a substantial lessening of competition in Singapore because:
  - i. The Land Transport Authority of Singapore (“LTA”) is the primary customer for rail rolling stock and signalling systems in Singapore and will be able to exercise significant bargaining power particularly with the New Rail Financing Framework<sup>4</sup>;
  - ii. Barriers to entry are not overly high as there are no specific factors which would prevent new entry for the supply of rail rolling stock and signalling systems in Singapore;
  - iii. It will be difficult for competitors to collude post-Transaction as there are a large number of existing and potential global competitors who qualify and participate in open tenders called by the LTA in Singapore; and

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<sup>3</sup> Bombardier Inc is the parent company of the Bombardier Group, comprising subsidiaries such as Bombardier Aviation and Bombardier Transportation.

<sup>4</sup> Under the New Rail Financing Framework, capital investments in operating assets (including trains and signalling systems) will be made by LTA, and LTA will own the operating assets and retain the ability and flexibility to make decisions on capital investments, undertake integrated and holistic long-term planning, and effect the timely purchase of more assets to enhance carrying capacity. SMRT will operate under an asset-light model, focusing on two main areas: providing quality service to commuters and maintaining the trains to ensure smooth operations. Please see LTA’s description of the New Rail Financing Framework at [https://www.lta.gov.sg/content/ltagov/en/who\\_we\\_are/our\\_work/public\\_transport\\_system/rail/new\\_rail\\_financing\\_framework.html](https://www.lta.gov.sg/content/ltagov/en/who_we_are/our_work/public_transport_system/rail/new_rail_financing_framework.html)

- iv. The Parties are not each other's closest competitors for the supply of rail rolling stock or signalling systems in Singapore.

### **Public Consultation**

10. CCCS is inviting public feedback on the Proposed Transaction from 15 May 2020 to 2pm on 29 May 2020.
11. More information on the public consultation can be accessed and downloaded from the CCCS website at [www.cccs.gov.sg](http://www.cccs.gov.sg) under the section "[Public Consultation](#)". If the submission or correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.

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### **About The Competition & Consumer Commission of Singapore (CCCS)**

The Competition and Consumer Commission of Singapore ("CCCS") is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act (Cap. 50B) which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

For more information, please visit [www.cccs.gov.sg](http://www.cccs.gov.sg).

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